

## Congressman Ryan Votes to Extend Tax Cuts for Middle Class

*Republicans Vote against Tax Cuts for 95 Percent of Americans*

(Washington, D.C.) – Today, Congressman Tim Ryan (OH-17) voted for the Middle Class Tax Relief Act to permanently extend tax cuts for working and middle-class families.

**“Today’s vote clearly defines the ideological difference between Democrats and Republicans,”** stated Congressman Ryan. **“Our economy is in distress. Millions of Americans are out of work. Small businesses are struggling to turn cashflow and get credit. Today, House Democrats voted to put money directly into the pockets of the middle-class and small business owners – and House Republicans voted “NO” because the bill did not include bonus tax cuts for millionaires and billionaires. It is shameful that Republicans continue to hold working families hostage, pandering to very rich.”**

**“Over the past 30 years, we have witnessed an unconscionable rise in income inequality in the United States – today, the top one percent of earners control 24 percent of national income. Wall Street bankers and CEOs are receiving multi-million dollar bonuses, but middle-class wages have stagnated. All the while, health care costs, energy costs, and tuition costs have risen exponentially. Trickle-down economics has nearly squeezed working families out of the American dream altogether.”**

The Middle Class Tax Relief Act of 2010 makes permanent the Bush-era tax cuts for individuals earning less than \$200,000 and married couples earning less than \$250,000 per year.

Tax cuts that include benefits for the two percent of American taxpayers earning above the \$200,000 individual/\$250,000 household threshold would cost \$40 billion in 2011 and \$700 billion over 10 years (\$1 trillion with interest added). Working class and middle-income families are more likely to spend the tax savings that they receive, adding demand to an ailing economy – while wealthy households are more likely to add the funds to their existing wealth, removing them from general circulation. In 2010, the non-partisan Congressional Budget Office issued a report detailing job creation and economic improvement strategies; tax cuts for high-earners were ranked as the most ineffective method to create job and spur economic activity.

It is important to note that small businesses will not be negatively affected by allowing high-income tax cuts to expire. Only three percent of taxpayers filing small business income taxes report earnings in excess of \$250,000 per year. Many of these businesses are not typical “small businesses”, but are law firms and real estate partnerships. Additionally, business owners are neither taxed on income used to pay employee wages, nor are they taxed on income that is reinvested in the business.

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